

This order is SIGNED.

Dated: March 8, 2024


KEVIN R. ANDERSON
U.S. Bankruptcy Judge



**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH**

In re:

ROCKWELL DEBT FREE
PROPERTIES, INC.,

Debtor.

STEVEN R. BAILEY, as Chapter 7
Trustee of the Estate of Rockwell Debt
Free Properties, Inc.,

Plaintiff,

v.

PAULA JEAN PETERSEN and MARK
PETERSEN,

Defendants.

Bankruptcy Case No. 20-25326
Chapter 7

Hon. Kevin R. Anderson

Adversary Proceeding No. 22-2080

ORDER ON MOTION TO STAY PROCEEDING

Paula and Mark Petersen, defendants in the above-captioned adversary proceeding, filed a motion to stay this proceeding (ECF No. 6, the “Motion to Stay”). After Plaintiff Steven Bailey objected to the Motion to Stay and the Petersens filed a reply in support, the Court conducted a hearing on that motion, as well as on other, similar motions in related proceedings, on October 31,

2023. Chad Pehrson appeared on behalf of the Petersens, Deborah Chandler appeared on behalf of the Plaintiff, and other appearances were noted on the record. At the conclusion of the hearing the Court took the Motion to Stay under advisement.

After considering the parties' briefs and oral arguments and after conducting its own independent research of applicable law, the Court issued its ruling on the Motion to Stay on the record on March 4, 2024, making its findings of fact and conclusions of law on the record. Based on those findings and conclusions, which the Court incorporates herein by reference, the Court hereby **ORDERS**:

1. The Motion to Stay is DENIED subject to the following conditions.
2. The Petersens are permitted to seek discovery from third parties.
3. The Petersens are permitted to obtain written discovery from and depose defendants in Adv. Pro Nos. 22-2077, 22-2078, 22-2079, 22-2080, 22-2081, and 22-2082, other than Scott Beynon, Jordan Nelson, and Christopher Ashby (collectively, the "Ashby Parties").
4. Discovery with respect to the Ashby Parties is subject to the following additional conditions:
 - a. The Petersens are presently stayed from taking the depositions of the Ashby Parties.
 - b. If the Petersens have completed all other discovery that can be accomplished without taking the depositions of the Ashby Parties and wish to take their depositions, they may do so after application to this Court.
 - c. The Petersens may presently issue written discovery to the Ashby Parties, including requests for production, interrogatories, and requests for admission,

if they believe, in good faith, that such discovery does not implicate the Ashby Parties' Fifth Amendment rights in the criminal case involving the Ashby Parties pending before the United States District Court for the District of Utah (Case No. 2:23-cr-00281-JNP, the "Criminal Case").

- d. If the Ashby Parties believe that their Fifth Amendment rights are jeopardized in any way by any of the discovery propounded by the Petersens, they may file a motion to quash the relevant subpoena or a motion for a protective order, and the Court will adjudicate the matter.
5. No party may disclose discovery responses to the government in the Criminal Case absent express permission from this Court or the District Court.
6. The restrictions imposed by this order will be revisited when the District Court issues its verdict in the Criminal Case.

END OF DOCUMENT

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DESIGNATION OF PARTIES TO RECEIVE NOTICE

Service of the foregoing **ORDER ON MOTION TO STAY PROCEEDING** shall be served to the parties and in the manner designated below.

By Electronic Service: I certify that the parties of record in this case as identified below, are registered CM/ECF users:

Deborah Rae Chandler	dchandler@aklawfirm.com
Chad S Pehrson	cpehrson@kba.law, exec_assistant_csp@kba.law

By U.S. Mail: In addition to the parties of record receiving notice through the CM/ECF system, the following parties should be served notice pursuant to Fed. R. Civ. P. 5(b).

- None.